



OFFICE OF HOMELAND SECURITY

GRANT MANAGEMENT MEMORANDUM 2006-001

Date: May 15, 2006

To: All Governors' Office of Homeland Security (OHS) Subgrantees

From: Grants Administration and Payments Unit

RE: Disencumbrance and reallocation of unexpended homeland security grant funds

The federal performance periods for several homeland security grants administered by the Governor's Office of Homeland Security (OHS) are approaching the grant expiration date. The specific grants are listed below:

Grant #	Program	Federal Expiration Date	Balance
2002-TE-CX-0133	FY 02 State Domestic Preparedness Equipment Program	7-31-06	\$239,734
2003-TE-TX-0167	FY 03 State Homeland Security Grant Program Part 1	9-30-06	\$4,433,156
2003-MU-T3-0035	FY 03 State Homeland Security Grant Program Part 2 (including Critical Infrastructure Protection)	10-31-05	\$21,195,968
2003-EU-T3-0023	FY 03 Urban Areas Security Initiative Part 2	12-31-05	\$33,698,876
2004-GE-T4-0045	FY 04 Homeland Security Grant Program	11-30-06	\$99,628,187
2004-TU-T4-0014	FY 04 Urban Areas Security Initiative	11-30-06	\$102,535,124

OHS has been closely monitoring the expenditure rates of its subgrantees. Based on current expenditure patterns it is clear that some subgrantees are not currently on track to fully expend all of their subgrants prior to the expiration date. In the next few weeks OHS program representatives will be contacting subgrantees verifying that they are on schedule to fully expend the funds awarded to them. If contacted, subgrantees will be required to submit

documentation that expenditures will be fully accomplished prior to the grant expiration date. Supporting documentation will consist of invoices, contracts, performance bonds, canceled checks and other indicators that expenditures have occurred.

Subgrantees with homeland security grant funds determined to be unexpended or not on track to be fully expended prior to the grant expiration date will receive written notice that the funds identified will be disencumbered 30 days from the date of the notice.

Homeland security grant funds recaptured in this process will be made available for reallocation to subgrantees that have fully expended or are on track to expend their FY 01-FY 04 homeland security grant funding.

Priority for reallocating funds will be as follows:

- 1.) Projects that meet the requirements of the grant funds disencumbered and on hand at OHS.
- 2.) Subgrantees that have substantially expended and are on track to fully expend all FY 01-FY 04 grant funding.
- 3.) Subgrantees that have substantially met the reporting requirements of their open grants.
- 4.) Projects that can be accomplished within approximately 90 days and within the grant expiration date of funds available.
- 5.) Reallocation to subgrantees within the region from which the funds were disencumbered.

Subgrantees with projects they would like to submit for consideration to receive a reallocation of disencumbered funds and that meet the requirements above are requested to submit potential projects to OHS Program Representative Kris Whitty at (916) 323-7734 or Kris.Whitty@ohs.ca.gov . The Grants Management Section will review and approve projects submitted which met the criteria above and can be accommodated within federal performance period.

For further assistance, please feel free to contact your program representative. Contact information is available on our website located at [HTTP://WWW.HOMELAND.CA.GOV/PDF/MAP.PDF](http://www.homeland.ca.gov/pdf/map.pdf)

Thank you for your efforts, and we look forward to continuing to work with you in the future.

Sincerely,

Larry M. Davis
Program Manager
Grant Administration and Payments